

Dear Members of the Senate Housing Committee:

My name is Anthony Lima. I am a resident of Norwalk and I work at ASML, one of the largest employers in Fairfield county. I am testifying in **support of a rent cap in SB4 with necessary changes** to better protect tenants.

When I first moved here in 2018, I was looking for my first apartment which I found in central Norwalk. The landlord was a nice older lady who said something to me that has stuck with me ever since. She asked me why someone my age (mid 20's) was moving *into* Connecticut, not leaving! She let me know that most people my age were fleeing the state, usually after they graduate college or when living with their parents is no longer viable. I found that so bizarre: what State is so hostile to young adults, just starting out in their careers, that they can't afford to stay? I quickly discovered why.

Everything here costs more here. Groceries, utilities, going out with your friends, the list goes on. You don't need a Yale economist to figure out that a major underlying cause is precisely the high rents. Rent seeking causes everything to cost more. If your average working person has to take home ~\$2,000/mo. just for rent (plus the other living expenses), that puts a ludicrously high premium on the simple privilege of living in CT. If business owners want to keep employees, they must pay them more and as a result they must charge more. High rent increases drives inflation higher, not the other way around. It's a vicious cycle, with the underlying driver being the high rents to begin with.

Most of coworkers and I are fortunate enough to make a "living wage" (see [MIT's living wage calculator](#)), however even we struggle to make the rents in Norwalk and Stamford. Most of my coworkers live with roommates. Many of them feel that it's not feasible to start a family here. That they might need to leave the state if they want kids. My other friends who aren't fortunate enough to have one of the few jobs that can make rent around here are seriously struggling to get by. Already many of my friends have to leave the state due to rent hikes. Specifically at the Harbor Point / South End neighborhood in Stamford. And right now I have friends that work at Norwalk Hospital who are struggling to make rent. They've told me if their rent goes up they have to leave, they are already spending nearly 70% of their income on rent. How can we put such a large burden on such key members of our community? What will Fairfield county look like when they can no longer live here?

Personally, I was recently pushed out of my previous apartment. I was renting a 2bd 1ba in Norwalk for 1900/mo. My landlord decided not to extend the lease so he could remodel. I expect the unit to go back on the market in a couple months closer to the median 2bd rent in Norwalk: ~2500 to 2600/mo. This is just one tactic in the playbook that has been driving rents sky high. I didn't know what I was going to do. I struggled for months to find anything around the same price. Everything was going for >2300/mo. **I even considered leaving CT and moving back in with my parents in CO.** I was only able to make it work when I found a listing around the same price and I called the landlord within an hour of the posting going up. I was the first one to see the apartment and I signed it on the spot, without a thorough inspection. That is how dire the situation is here.

I hope it is clear why a rent cap is long overdue. For young adults struggling to start their lives, for the health of our communities, for the sake of everyone in CT, we desperately need rent stabilization. These laws exist in other jurisdictions and they have been proven to work. We know they don't impact development in the long-run, that is a myth perpetuated by associations who have a financial interest in keeping rents unregulated. A study done by UC Berkeley found that between 2007 and 2013, the cities in the Bay Area that had rent stabilization policies built more housing per capita than cities without it - proving that other factors, such as zoning, have a greater influence on what is built.

We need to cap rent increases to pre-pandemic levels and we need to remove the inflation adjustment. The recent language changes to the bill will render the cap useless. Under the current language the rent cap for my recent apartment would have allowed my landlord to raise the rent **10%** this year, nearly **\$200/mo.**, for the same space. That would drive me out of town regardless. My friends too. These large rent hikes are driving the elevated inflation, not the other way around. Allowing landlords to increase rents with inflation only creates a feedback loop with rent continuing to spiral out of control. In fact, the inflation adjustment arguably worse than no rent cap at all because it sets a legal precedent for unsustainably high rent increases. Under the current language, my landlord could have raised it 1-9% which could also have been an unsustainable burden but they could say, "Hey, at least I didn't do the full 10%!"

The Government Accountability Office found that a median rent increase of \$100/mo. was associated with a 9% increase in homelessness. Understanding this data means that the current language tacitly **endorses a roughly 18% rise in homelessness in Norwalk.** Homelessness is catastrophic for individuals and the communities they originate from. Rent stabilization at the original proposed level would drastically curb that risk. Over the last two decades through the five-year period of 2017-2021, median rents increased in Connecticut nearly twice as much as the income of renters. If adjusted for inflation, the median household income of renters actually dropped by 13%. We need the Rent Cap with the original language and specifically without the inflation adjustment.

I strongly support a rent cap, but in my view HB 6588 needs the following changes:

- **Remove the inflation adjustment.** Most rent stabilization laws do not adjust for inflation. It is wholly unnecessary and would render the rent cap functionally useless.
- **The cap should be lower – I suggest the original wording: 2.5%.** This tracks pre-pandemic average rent increases and would be affordable and predictable to tenants.
- **It should cover apartments in between tenants** so landlords can't push out tenants to increase the rent.
- **It should expand good cause eviction protections** to cover all tenants so they have greater stability in their homes.

Sincerely,

Anthony Lima
Norwalk